

# **FISCAL NOTE**

## **HB 460 - SB 641**

February 10, 2001

**SUMMARY OF BILL:** Increases the amount a person can give a beneficiary for an educational savings plan, commonly referred to as a 529 plan, from \$10,000 per year to \$50,000 in one year to cover a five-year period without having to pay a gift tax on the amount above \$10,000. Bill would make the state's gift limit for 529 plans the same as gift limits established in 26 U.S.C. 529 of the federal code.

### **ESTIMATED FISCAL IMPACT:**

**Decrease State Revenues - Less than \$100,000**

**Increase State Expenditures - \$26,500 One-Time**

Estimate assumes:

- The total decrease in state revenues cannot be determined but is estimated to be less than \$100,000 based on information provided by the Department of Revenue.
- A one-time increase in state expenditures of \$26,500 to modify existing MIS systems.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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